HUD newsletter
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280

April 15, 1974 Vol. 5 No. 15

Current Trends

FNMA reports a sharp increase in interest rates since its last auction. Over the 2-week period, 90-day Treasury bills increased 35 basis points to the highest point of the year... from 7.71 early in March to 8.06 for 2 weeks later. Offers for FHA-VA mortgage commitments totaled $1.2 billion at the auction... compared with $351 million of offers submitted at the earlier auction while conventional mortgage commitments totaled $126 million... compared to $74 million. The large increase in offers received appears to be a result of uncertainties generated by the sharp rate increases in the money markets since the last auction. Home mortgage purchases totaled $45 million... leaving $2.1 billion in outstanding commitments. FNMA has acquired $331 million of home mortgages so far this year. Project mortgage purchases totaled $79 million... bringing total purchases for the year to $462 million.

FHLBB Chairman Thomas R. Bomar announced that the flow of savings to savings and loan associations in February continued at close to the January volume... while mortgage lending activity picked up substantially as a result of the larger savings influx of recent months. Mortgage loans closed by insured associations totaled $2.6 billion in February... 15 percent more than in January... but 27 percent less than a year earlier. Last month's pick-up in lending volume was substantially larger than the typical January-February rise... resulting in the largest seasonally adjusted lending volume since August.

The pace of new construction appeared to be heading back toward normal last month... even though new construction contracts slipped 3 percent in February to $6.61 billion from $6.81 billion a year before... according to the *F.W. Dodge Division* of *McGraw-Hill.* In February 1973... construction proceeded at a record pace. The level of contracts this February showed healthy improvement from the sluggishness in January and December.

A *Leisure Time, Inc.* survey conducted for the *American Furniture Mart* reported 42 percent of the Nation's 57 million householders redecorated or remodeled their homes... at least in part... during the past 12 months. The survey involved telephone interviews with 6,000 female heads of households representing all segments of the Nation.

Preliminary figures... assembled by the *Mortgage Bankers Association*... reveal that mortgage companies issued $30 billion of new commitments to finance real estate loans for builders and borrowers in 1973... while closing $22 billion of permanent mortgages, $8.8 billion of construction loans, and $1.1 billion of land loans. During 1972... the previous record year... mortgage companies issued $28 billion of commitments to builders and borrowers... and closed $21 billion of permanent mortgages, $7.7 billion of construction loans, and $.8 billion of land loans.

☆

Fortune Magazine Sees Spurt in Housing Starts

***Fortune's* semi-annual survey of builders suggests that a vigorous recovery should soon begin to transform housing from a source of weakness to a source of strength for the economy as a whole.** The builders' own plans indicate 2 million housing starts this year, nearly the same as last year... but well above most forecasts, which have ranged from 1.8 million to 1.5 million.

From Former Quarry to Apartment Community

The surveying and mapping of a filled-in granite quarry in Quincy, Mass., to prepare it for development of a high-rise apartment community has won one of five awards for "engineering excellence" made by the *Consulting Engineers Council of New England.*

The vacant 73-acre former quarry planned for development into a residential community is 8 miles from downtown Boston and adjoins the Quincy station of the rapid transit MBTA. Its convenient location and available public transportation makes it exceptionally desirable for apartment development.

For more than 130 years... starting in 1815... the site had been the center of the Quincy granite industry. Numerous quarriers had carved holes as deep as 300 feet in some places. After the abandonment of the quarries... a building demolition contractor acquired them for use as a disposal area. Rubble and debris eventually covered most of the site... filling the deep holes. The long-range plan calls for approximately 2,000 apartments in buildings rangning from 12 to 16 stories in height.

The builder, *Kanavos Enterprises,* and the consulting geotechnical engineers, *Haley & Aldrich, Inc.,* of Cambridge, received plaques at the engineering group's annual banquet in Boston.

☆

23 Million New Housing Units Needed

A recent report by the *MIT-Harvard Joint Center for Urban Studies*... **concludes that 23 million new housing units will be needed between 1970 and 1980 by Americans who can 'pay their own way' in obtaining the housing.** This figure is some 20 percent above many earlier figures covering the same group of potential home seekers. In addition... the *Center's* report said that in 1970... there were 13 million families who were 'deprived' of adequate housing. Of this number... 5.5 million lower-income families were living in units which rented for 25 to 30 percent more than they could reasonably afford... 6.9 million families were living in physically inadequate housing... and 700,000 families were living in overcrowded conditions.

☆

Sixth Biennial HUD Awards for Design Excellence

HUD has announced the Sixth Biennial Awards for Design Excellence. Architects, planners, engineers, and other design professionals; builders and developers; and local governments and public agencies are invited to submit entries.

The Awards Program... commended by Congress... is part of continuing HUD activities to recognize and stimulate superior design and planning quality in the management and execution of all HUD-assisted local programs and projects. In direct response to the *National Environmental Policy Act of 1969* the program also seeks to identify exemplary design and development efforts that integrate the natural and social sciences with the environmental design arts.

A limited number of honor awards will be made for winning entries. This year a new category of Management Approaches will be added to those of Project Design and Urban Design Concepts.

Work in respective categories must have been undertaken under a financial assistance program of HUD or its predecessor, the Housing and Home Finance Agency. It must have been finished since January 1, 1969. Winning entries in previous Departmental awards programs will not be eligible.

All entries must be postmarked by midnight July 1, 1974. Following receipt of entries, the jury composition and awards ceremony details will be announced.

HUD to Assist Minority Contractors

Affirmative action programs to insure minority contractor participation in housing construction projects are to be undertaken by all HUD Offices. The requirement that each HUD Regional, Area and Insuring Office plan, carry out, and monitor a plan providing minority contractors and subcontractors "every feasible opportunity to participate" in HUD-funded construction has been issued jointly by Sheldon B. Lubar, Assistant Secretary for Housing Production and Mortgage Credit, and Dr. Gloria E.A. Toote, Assistant Secretary for Equal Opportunity.

The memorandum from the Assistant Secretaries to HUD Field Offices called for special efforts to achieve a significant percentage of minority contractor participation at all levels, including general speciality contracting awards.

☆

Model Cities Clean Up in Philadelphia

Philadelphia's Mayor Frank Rizzo has announced the beginning of a $2.2 million HUD-funded clean-up program for the city's Model Cities area. Under the program, every block in the Model Neighborhood will be cleaned at least three times each week and vacant lots will be cleaned twice a week. The project will provide 213 jobs. . . of which 184 will be filled by Model Neighborhood residents. The pilot program is scheduled to run for a 1-year period.

☆

New Trade Group Formed

John C. Williamson, a Washington, D.C., attorney, has been named Executive Vice President of the *Mortgage Insurance Companies of America*. . . a newly formed trade group representing the Nation's private mortgage insurance companies.

MICA President Max H. Karl, who made the announcement, reported that the association will have its offices at 1730 Rhode Island Ave., N.W., Washington, D.C. 20036.

☆

Federal Crime Insurance for Florida

Residents and businessmen in Florida are eligible to buy burglary and robbery insurance under the Federal Crime Insurance Program administered by HUD. Florida was made eligible because of difficulty in obtaining affordable crime insurance coverage from other sources. Federal policies can be purchased through any licensed Florida property insurance agent or the servicing company designated for that State—Aetna Casualty and Surety Company—with offices at 5200 Kennedy Blvd., Tampa, Florida.

☆

"Energy Conservation" House Planned

An "energy conservation" model house is being planned by the *Builders Association of Metropolitan Pittsburgh*. Local builders have been asked to participate in the activity which would highlight and use energy conservation methods of construction. . . primarily with products from Pittsburgh-based corporations.

Robert E. Johnston, association executive director, has asked members interested in building such a house. . . which would sell for approximately $70,000. . . to submit proposals based on plans and specifications prepared by the association.

HUD newsletter
U.S. Department of Housing and Urban Development
Washington, D.C. 20410

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

April 15, 1974
HUD-318-119-PA

Published weekly by the U.S. Department of Housing and Urban Development . . . James T. Lynn, Secretary. . . William I. Greener, Jr., Assistant to the Secretary for Public Affairs. . . James C. Biller, Editor. Subscription rate $7.30 per year, domestic. . . $9.15 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402. Use of funds for printing this publication approved by the Office of Management and Budget, January 9, 1973.

Proportion of Substandard Housing in U.S. Decreased During 1960-1970

The proportion of substandard housing in the United States decreased by 45 percent during 1960-1970. . . according to estimates released by the Census Bureau.

A new report. . . resulting from the 1970 Census of Population and Housing. . . shows that in 1970 some 6.4 million year-round housing units. . . or 9.5 percent of the total 67.7 million counted. . . were classed as substandard. This compares with 9.8 million. . . or 17.3 percent. . . of the 56.6 million units counted in 1960.

The decrease in substandard housing units was due to the great reduction in the number of housing units lacking some or all plumbing facilities. In 1970, 4.7 million or 6.9 percent of the total 67.6 million units lacked plumbing facilities. . . compared to 9.0 million or 15.9 percent of the total 56.6 million units in 1960.

The term "substandard" is not a Census Bureau classification, but was a category defined by the Federal housing agencies in the 1950's. . . the report notes. The category included (1) all units lacking complete private plumbing facilities, plus (2) those units with plumbing but rated as "dilapidated" by a census enumerator.

Copies of the report, *Plumbing Facilities and Estimates of Dilapidated Housing, HC(6),* are available for $6.40 from the Superintendent of Documents, Washington, D.C. 20402, or from Commerce District Offices in major U.S. cities.

☆

FYI

National Materials Conservation Symposium. . . Co-sponsored by *National Bureau of Standards, Bureau of Mines, Environmental Pollution Agency, National Center for Resource Recovery, American Society for Testing and Materials*. . . Gaithersburg, Maryland, April 29-May 1. **Details: R.B. Johnson, B346 Materials Bldg.,** *National Bureau of Standards,* **Washington, D.C. 20234.**

National Association of Housing and Redevelopment Officials. . . National Urban Homesteading Workshop. . . Washington, D.C., May 13-15. Will examine the process of urban homesteading, the experiences in implementing urban homesteading programs in Wilmington, Baltimore, Washington, D.C., and Philadelphia, and the prospects of urban homesteading as a contributing force to a city's housing conservation efforts. **Details: Steve Weil,** *NAHRO,* **Watergate Bldg., 2600 Virginia Ave., N.W., Washington, D.C. 20037.**

UNITED STATES
GOVERNMENT PRINTING OFFICE
PUBLIC DOCUMENTS DEPARTMENT
WASHINGTON, D.C. 20402

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
HUD-401

U.S.MAIL

HUDN SERIA300S R 1
SERIALS DEPT
XEROX/UNIV MICROFILMS
300 N ZEEB RD
ANN ARBOR MI 48106